

State of Kansas

Employee Suggestion

Program Guidelines

Effective September 15, 2002

Revised May 1, 2003

Overview

The Employee Suggestion Program provides a cash incentive for state employees to submit suggestions for cost reductions through increased efficiencies or other economies or savings in the operations of the state agency. 2003 House Bill 2369 enhanced the program by providing a cash bonus at the time the suggestion is adopted.

Agencies should establish a means of communicating their agency's suggestion program to employees including the process for submitting suggestions and suggestion review procedures. Each agency shall ensure an objective review process for employee suggestions by establishing provisions to safeguard against opportunities for abuse and favoritism.

Award

A cash award shall be paid to employees who make a suggestion that is adopted under their agency's employee suggestion program. The total gross value of the award is 10% of the actual documented cost reduction following the first 12 months of implementation of the suggestion up to a maximum of \$37,500. The award shall be paid by the agency implementing the suggestion. All awards given under the Employee Suggestion Program are nondiscretionary (the award must be included in the employee's regular rate for calculating overtime compensation). The following steps outline the Employee Suggestion Program process:

Step 1

An employee submits a suggestion using the Employee Suggestion Program Suggestion Form (Part A) according to their agency's established procedures.

Step 2

Using the Employee Suggestion Program Evaluation Form (Part B), the agency makes a determination whether or not the suggestion should be implemented and the estimated cost reduction associated with the suggestion.

Step 3

An employee who makes a suggestion for cost savings that is adopted by the agency will receive a monetary award at the time of adoption. The initial award will be 25% of the total award amount based on estimated cost savings, as certified by the agency appointing authority and chief fiscal officer, up to a maximum of \$3,500. Since the cost savings are not available for use at the time this award is given, agencies should make the award using Kansas Savings Incentive Program funds or other agency funds. Agencies are to enter the (ISA) SHARP code (Employee Suggestion Program non-discretionary Innovations award) on the Bonus Pay page for this initial amount. Once this is completed, a copy of the attached

Employee Suggestion Program Evaluation Form (Part B) is forwarded to the Division of Budget.

Step 4

Twelve months following implementation, the employee will be paid the balance of the total award. This is the difference between the initial award (as described in Step 3) received by the employee and 10% of the actual cost reduction, up to a maximum employee suggestion bonus of \$37,500. The completed Employee Suggestion Program Evaluation Form is then forwarded to the Division of Budget.

Remaining Cost Savings

The agency will retain 10% of the documented cost reduction, which will be placed in the Kansas Savings Incentive Program (KSIP) for that agency. The remaining balance of the savings will be handled in accordance with the KSIP provisions in agency appropriation legislation.

SHARP Earnings Codes and Procedures

Suggestion awards are paid through the payroll system and are included in taxable gross income, and are subject to all applicable taxes and employer contributions. These include federal and state withholding taxes, OASDI, Medicare, Unemployment Compensation Insurance, Workers Compensation Insurance, and State Leave Assessment. Suggestion awards are not subject to deductions under KPERS.

All awards should be entered in the next on cycle payroll by adding the appropriate earnings code and gross pay dollar amount to the Bonus Pay Panel. Regents institutions should add the appropriate earnings code, gross pay dollar amount and any overtime differential due to the pay detail interface file for the pay period.

The following earnings codes associated with the Employee Suggestion Program should be entered on the Bonus Pay Panel. (Go > Administer Workforce > Plan Salaries (GBL) > Use > Bonus Pay). Do not enter the code directly on the timesheet.

New Earnings Codes:

(adds to taxable grosses; adds to gross pay; does not add to KPERS gross)

- ESP- Award-EE Suggestion
- ESN- Award EE Suggestion- No cost reduction (KSIP award)
- EPO- Overtime for the Employee Suggestion Program
- ENO- Overtime-Award-EE Suggestions with no cost reduction (KSIP award)
- ISA- Award-Innovation EE Suggestion
- IAO- Overtime-Award-Innovation EE Suggestion

Inactivated Earnings Codes:

- SU1 - Suggestion Award – Supervisor
- SUG - Suggestion Award

Contact Information

For questions related to the program guidelines, contact Kraig Knowlton in the Division of Personnel Services at (785) 296-1082 or by email at kraig.knowlton@da.state.ks.us. For SHARP related questions, contact Brent Smith in the Division of Personnel Services at (785) 296-1432 or by email at brent.smith@da.state.ks.us.